

BOSTON REDEVELOPMENT AUTHORITY

REPORT AND DECISION ON THE APPLICATION OF EDWARD H. LINDE, ROBERT B. SWETT, JR., AND MORTIMER B. ZUCKERMAN, AS TRUSTEES OF DOWNTOWN BOSTON PROPERTIES TRUST FOR THE AUTHORIZATION AND APPROVAL OF A PROJECT UNDER MASSACHUSETTS GENERAL LAWS (TER.ED.) CHAPTER 121A AS AMENDED, AND CHAPTER 652 OF THE ACTS OF 1960, TO BE UNDERTAKEN AND CARRIED OUT BY A TRUST, AND APPROVAL TO ACT AS AN URBAN REDEVELOPMENT TRUST UNDER SAID CHAPTER 121A.

A. The Hearing. A public hearing was held at 2:30 p.m. on June 14, 1979, in the offices of the Boston Redevelopment Authority (hereinafter called the "Authority"), at City Hall, Room 921, Boston, Massachusetts 02201, by the Authority on an Application, dated May 14, 1979, (hereinafter called the "Application"), filed by Edward H. Linde, Robert B. Swett, Jr., and Mortimer B. Zuckerman, as Trustees of Downtown Boston Properties Trust, for authorization and approval of a redevelopment project under Chapter 121A of the General Laws of the Commonwealth of Massachusetts and Chapter 652 of the Acts of 1960, as amended, (hereinafter called the "Project"), due notice of said hearing having been given previously by publication on June 1, 1979, and June 8, 1979, in the Boston Herald American, a daily newspaper of general circulation published in Boston, and mailing postage prepaid in accordance with Rule 4 of the Rules and Regulations of the Authority for securing approval of Chapter 121A projects, and in accordance with the provisions of Section 13 of Chapter 652 of the Acts of 1960, as amended. Robert L. Farrell, Chairman of the Authority, James G. Colbert, Joseph J. Walsh, James K. Flaherty and James E. Cofield, Jr., members of the Authority, were present at the hearing.

B. The Project. The Project Area consists of approximately 110,905 square feet of land, owned by the Authority and known as Parcels A-6 - A-7 in the Downtown Waterfront Faneuil Hall Urban Renewal Area, Mass. R-77. The combined parcel A-6, A-7 is generally bounded by the Waterfront Park on the north, relocated Atlantic Avenue on the west, on the south by State Street, and by Long Wharf, in part, and on the east by land of others.

A full metes and bounds description appears in the Application.



The Project consists of the purchase of the Project Area from the Authority and the construction of a single integrated structure comprised of 395 hotel rooms, 225 fully enclosed parking spaces, ancillary meeting rooms, ballrooms, restaurants and lounges serving the hotel, together with non-hotel retail and retail service space of between 6,000 and 16,000 square feet. The building "footprint" will be approximately 68,000 square feet, with the remainder of the Project Area consisting of landscaped areas, walkways and vehicle access drives. Below ground levels of the structure will contain the majority of the parking spaces, the ballroom, functions ancillary to the ballroom and mechanical areas. The ground level of the structure will contain the balance of the parking spaces, the main entrance to the hotel, a major public pedestrian walkway bisecting the building, the loading dock, laundry and mechanical facilities and the retail space. The second level of the structure will contain hotel rooms, the main lobby, shops, the hotel management office, a restaurant, lounge and meeting rooms. The third level will contain hotel rooms, administrative offices and mechanical areas. The fourth level will contain hotel rooms, a health club and swimming pool. Floors five through eight will contain hotel rooms, and above the eighth floor will be an enclosed area housing the mechanical equipment to service the structure.

C. Authority Action. In passing upon the Application, the Authority has considered the Application itself, all documents, plans and exhibits filed therewith or referred to therein, the oral evidence presented at the hearing, the exhibits offered in evidence at the hearing, and arguments and statements made at the hearing.



#### D. Project Area

The Project as defined in the Application constitutes a "Project" within the meaning of Section 1 of Chapter 121A of the General Laws, providing, as it does, for the construction in a blighted, open and decadent area of a hotel and related facilities.

The Project Area, as part of the Downtown-Waterfront-Faneuil Hall Urban Renewal Area was declared by the Authority, with the approval of the City Council of the City of Boston, and the concurrence of other appropriate state and federal agencies to be such a blighted, open, decadent or substandard area.

A major portion of the Project Area is an unimproved parcel of land containing an open foundation cavity continuously filled with rainwater and occasionally filled with sea water and the remainder is an open area being used in part as a parking lot.

Soils engineering studies reveal that the condition of the soil is of extremely poor quality such that construction of a nine-story building will require piles to be driven approximately 100 feet into the ground in order to provide adequate support for the building. The large foundation and piles existing on a portion of the Project Area cannot be reused, and as a result, considerable expense is involved in demolition and removal. Moreover, due to the excessive height of the water table, for which reports indicate that high tide levels are within five feet of grade level and that storm high tides have exceeded existing grade level, very costly construction and waterproofing of basements, additional piling to combat "uplifting", and general "flood-proofing" of the entire grade and below grade levels is necessary to remedy the water table condition affecting the Project Area. Further, abutting Parcel A-6 on the south is an MBTA station adjoining with an MBTA tunnel running under State Street. Costly construction and monitoring measures must be taken to avoid disturbing both the station and underground tunnel.



The Project will remove a blighted influence, and will continue to reflect an upgrading of, and probably stimulate further development in the neighborhood in which it is located.

The carrying out of the Project will provide the City of Boston with considerable new revenues. Presently the Project Area is generating no taxes to the City. And further, the Project will contribute to the City hotel space for which there is a much needed demand and provide a continued vitality to the neighborhood for normal business hours.

The Project Area is detrimental to the health, safety and sound growth of the community for the reasons stated above.

The Boston Redevelopment Authority has held title to the Project Area for several years. Since that time the Project Area has not been developed by private enterprise. Two previous developers were unable to proceed with the development. In the opinion of the Applicants and as evidenced by the facts set forth above and throughout the Application, the Project Area could not be developed by the ordinary operations of private enterprise. The risks and costs inherent in undertaking this Project are too unusual to be borne without the aid of reasonable relief available through Chapter 121A.

Further, as is evidenced by the requirement of the mortgage lender attached as Exhibit 5 to the Application, that the real estate taxes be limited to contain percentages of the project's estimated gross annual income, which percentage levels can only be lawfully agreed to by the City of Boston under G.L. Chapter 121A and Chapter 6A, the site would not be developed. These conditions and other factors referred to in the Application and this Report and Decision warrant the carrying out of the Project in accordance with Chapter 121A. The proposal constitutes a "project" within the meaning of that statute.

For these reasons it is found that the Project Area is a blighted, open and decadent area within the meaning of Chapter 121A, as amended.

It is unlikely that the conditions will be remedied by the ordinary operations of private enterprise.

The Project will provide substantial financial return to the City of Boston. The Sec.6A Tax Agreement attached to the Application, as Exhibit 6, sets forth the Agreement to be entered into between the City of Boston and the Applicants. This Agreement provides in substance that there be paid to the City of Boston a percentage payment in lieu of real estate taxes, in each of the fifteen (15) calendar years after approval of the Project.

More simply stated, the economics of the Project would not be feasible without the benefits of Chapter 121A, nor could financing for the Project be obtained by the Applicants unless the certainties provided by Chapter 121A are made available.

E. Cost of the Project. In the opinion of the Authority, the cost of the Project has been realistically estimated in the Application and the Project is practicable. The estimated minimum cost of the Project, including the purchase price for the Project Area of approximately \$1,200,000 will be approximately \$30,000,000. The cost of the Project will be financed by the Applicants through equity contributions made by the Beneficiary and through mortgage financing from institutional lenders in the sum of \$25,000,000. As of the date of filing the Application, the Applicants had secured a long-term permanent mortgage financing commitment for \$25,000,000 from Connecticut General Life Insurance Company, Hartford, Connecticut, a copy of which commitment is annexed to the Application as Exhibit 5. In addition to the



mortgage financing being provided by institutional lenders, Marriott Corporation, which has entered into an agreement to manage and operate the hotel Project, has committed to loan the Applicants the principal sum of \$3,000,000. upon completion of the Project and concurrently with consummation of the long-term permanent mortgage loan. The Applicants, the Beneficiary, the institutional lenders providing the construction and permanent mortgage loan financing, and Marriott Corporation, are the only persons, natural or corporate, who, prior to the completion of the Project, have or will have, directly or indirectly, any beneficial interest in the Project. Experience with similar financing and organization methods persuades the Authority that the financial program is realistic.

F. Consistency with Master Plan. The Project does not conflict with the Master Plan for the City of Boston as the Project Area comes within a classification in the Master Plan which permits buildings and uses of the kind proposed by the Applicant.

G. Effect of the Project. The Project will not be in any way detrimental to the best interests of the public or the City or to the public safety or convenience or be inconsistent with the most suitable development of the City. The Project will, in fact, forward the best interests of the City and will constitute a public use and benefit. The structure to be built on the Project Site has been reviewed by the Design Review Staff of the Authority and is subject to further design review should the proposed design change in any way. The Authority finds that this Project will enhance the general appearance of the Area and will furnish attractive and necessary landscaping, much needed hotel facilities, and enclosed parking. The Project will have a positive economic impact on the neighborhood surrounding the Project Area and on the City of Boston. During construction of the Project, the Project general contractor will be required, to the best of its ability, to grant preference in hiring to Boston residents.



H. Environmental Considerations. Pursuant to the provisions of Section 61 of Chapter 30 of the General Laws (as inserted by Chapter 781 of the Acts of 1972), the Authority hereby finds and determines that the Project will not result in significant damage to or impairment of the environment and further finds and determines that all practicable and feasible means and measures have been taken, or will be utilized, to avoid or minimize damage to the environment.

As a result of the investigations and report of the Authority's staff and of its own knowledge, the Authority hereby finds that.

1. The Project will not adversely affect any open space or recreation area or any aesthetic values in the surrounding area.
2. The Project will not adversely affect any archaeological or historical site, structure, or feature ; rather it is expected that the Project will enhance the historic features of the area.
3. The Project will not adversely affect any significant natural or man-made feature or place but is determined to be compatible with the surrounding environment.
4. Being located in an urban area, the Project will not affect any wilderness area or area of significant vegetation and will not adversely affect any rare or endangered fisheries, wildlife or species of plants.
5. The Project will not alter or adversely affect any flood hazard area, inland or coastal wetland, or any other geologically unstable area.
6. The Project will not involve the use, storage, release, or disposal of any potentially hazardous substances.
7. The Project will not affect the potential use or extraction of any agricultural, mineral, or energy resources.
8. The Project will not result in any significant increase in consumption of energy or generation of solid waste.
9. The Project will not adversely affect the quantity or quality of any water resources and will not involve any dredging.
10. Except necessarily during the construction phase, the Project will not result in the generation of a significant amount of noise, dust, or other pollutants, and will not adversely affect any sensitive receptors.
11. The Project will not adversely affect any area of important scenic value.



12. The Project will not conflict with any Federal, State, or local land use, transportation, open space, recreation, and environmental plans and policies.
13. Further, the State Office of Environmental Affairs has issued a statement that the Final Environmental Impact Report prepared on this project does adequately and properly comply with M.G.L.c.20, S62.

In order to avoid or minimize any damage to the environment, the Authority hereby requires that the applicant comply with the City of Boston Air Pollution Control Commission's Regulation for the Control of Noise and Regulations for the Control of Atmospheric Pollution during all phases of construction activity. In addition, the applicant also shall comply with all terms and conditions imposed on the project by a Wetlands Permit pursuant to MGL Ch. 131, S. 40, and has complied with conditions imposed by the Boston Water and Sewer Commission respecting the discharge of sanitary wastes from the project.

I. Minimum Standards. The minimum standards for financing, construction, maintenance and improvement of the Project as set forth in Exhibit 13 filed with and attached to the Application, are hereby adopted and imposed as Rules and Regulations (in addition to those hereinafter adopted and imposed) applicable to this Project for the same period as the Project is subject to the provisions of Chapter 121A of the General Laws and Chapter 652 of the Acts of 1960, as amended.

In addition to the minimum standards set forth in Exhibit 13, the Authority hereby requires that the Applicants, prior to obtaining a building permit, (1) enter into a Regulatory Agreement with the Authority pursuant to the requirements of General Laws, Chapter 121A, Section 18C, and containing such other terms and conditions as the Authority may in its discretion deem necessary appropriate; (2) submit to the Authority for its review and approval such plans and specifications for the Project as the Authority may require and accept such changes and modifications



thereto as the Authority may deem necessary or appropriate; and (3) adhere to such design review controls and requirements as the Authority may in its discretion impose.

The carrying out of the Project will not require the grant of a permit for the erection, maintenance and use of a garage within 500 feet of one or more buildings occupied in whole or in part as a public or private school having more than 50 pupils, or as a public or private hospital having more than 25 beds, or as a church.

The Project will not require a declaration that any of the buildings constituting a portion of the Project constitute a separate building for the purpose of General Laws, Chapter 138.

J. Zoning and Building Code Deviations. The Applicant requests no deviations from the Boston Zoning Code.

K. Duration of Period of Tax Exemption. The Applicants do not request any extensions to the base term of fifteen (15) calendar years for the Project's period of tax exemption pursuant to applicable provisions of Chapter 121A.

L. Decision. For all the reasons set forth in the foregoing report, the Authority hereby approves the undertakings by the Applicant of the Project pursuant to Chapter 121A of the General Laws and Chapter 652 of the Acts of 1960, subject to the provisions as set forth above.



ROBERT B. SWETT, JR.  
VICE PRESIDENT

October 10, 1979

Mr. Garlan Morse, Jr.  
Assistant Vice President  
First of Boston Mortgage Corporation  
100 Federal Street  
Boston, MA 02110

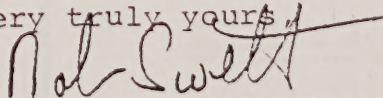
Dear Gar:

Attached please find an executed copy of the June 21, 1979 Commitment letter and August 28 Amendment regarding the Long Wharf Hotel project along with a check for \$10,000.00 to be applied toward the full commitment fee to be paid at closing.

It is my understanding that paragraph 6 of the August 28 Amendment letter will apply sequentially so that paragraph 6.C. applies after the first anniversary of the loan closing when at least \$1,500,000 in equity is evidenced.

We are close to the end of our long approval process and believe that we can start construction as early as Nov. 15. We would, therefore, greatly appreciate your prompt attention to the documentation involved in closing the loan by the middle of November. I would be happy to schedule a meeting between Newton Lane and Peter Van so that the preparation of the necessary documentation can commence immediately.

We look forward to working with you on a project that we feel will be quite successful from both an esthetic and economic point of view.

Very truly yours,  
  
Robert B. Swett, Jr.

cc: M.B. Zuckerman  
P. Van



BOSTON PROPERTIES, Agents for  
DOWNTOWN BOSTON PROPERTIES ASSOCIATES

No. 152

DAY  
TO  
THE  
ORDER  
OF

OCT 10 1979

5-2/110

19

First of Boston Mortgage Corporation

\$ 10,000.00

THE SUM OF TEN THOUSAND DOLLARS

DOLLARS



State Street

State Street Bank and Trust Company  
Boston, Massachusetts

*Robert F. Quinn*

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## FIRST OF BOSTON MORTGAGE CORPORATION

GARLAN MORSE, JR.  
Assistant Vice President

August 28, 1979

Mr. Robert Swett  
Boston Properties  
133 Federal Street  
Boston, Massachusetts 02110

Dear Bob:

This will serve to amend our construction loan commitment dated June 21, 1979 to Downtown Boston Properties Trust on the Marriott at Long Wharf. Parenthesized sections refer to page numbers and paragraphs of our commitment letter.

1. We will agree to increase the total amount of our construction loan from \$28 million to \$30 million contingent upon Connecticut General's increase in the permanent loan commitment from \$25 million to \$27 million, and it is acceptable to us for the loan documents to reflect this (1-2, 5-"18").
2. The change to 4,600 square feet of retail space and to approximately 190 automobile valet parking spaces is satisfactory, in accordance with the change in Connecticut General's permanent loan commitment (2-1).
3. Should Connecticut General require an increase in the guaranteed portion to \$4 million, we also will require an increase in the guaranteed portion to that same amount (2-"C").
4. The signature of the project architect will not be required on each requisition, however, the signature of the Borrower, guarantors and inspecting engineer (Richard Thyng) will be required (2-"1").
5. Five percent withholding is satisfactory, so long as Turner Construction Company is the general contractor (2-"1", 3-"1").
6. Equity contributions required will be as follows:
  - a. \$750,000 of equity must be advanced before the loan is funded.



FIRST OF BOSTON MORTGAGE CORPORATION

Mr. Robert Swett

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August 28, 1979

- b. \$1,500,000 of equity (cumulative) must be advanced by the first anniversary of the loan funding.
  - c. The remaining equity must be advanced, as required by the total cost under the project budget, in pro-rata proportions as the construction loan fundings are made (3-"2", 4-"8").
7. If Turner Construction Company is the general contractor, a bond will not be required; while we retain the right to approve the major subcontracts, we do not normally exercise this right (3-"4"). We will require that you provide a list of the subcontracts by trade with the name of the subcontractor and the amount of the subcontract.
8. Change orders without our approval may be made in the amount of \$75,000 per change order with an aggregate of \$400,000 (3-"4").

If these changes accurately reflect our agreement, please have an authorized signer execute the enclosed copy of this letter, indicating acceptance of the amended commitment, and return the signed copy to me.

With kind regards.

Sincerely



Garlan Morse, Jr.  
Assistant Vice President

GM:ss

Enclosure



## FIRST OF BOSTON MORTGAGE CORPORATION

RAYMOND H. WEAVER  
Vice President

June 21, 1979

Mr. Mortimer B. Zuckerman, Chairman  
Boston Properties  
133 Federal Street  
Boston, Massachusetts 02110

Dear Mort:

Re: Construction Loan  
Downtown Boston Properties Trust  
Marriott Hotel  
Boston, Massachusetts

This letter will serve as our commitment to grant an interim construction first mortgage loan to Downtown Boston Properties Trust with the following terms:

Amount: \$28,000,000. If necessary, this loan will be evidenced by three notes in the respective amounts of \$23,000,000, \$2,000,000, and \$3,000,000 to satisfy the requirements of both permanent lenders. The amount of our loan assumes that Connecticut General Life Insurance Company will issue a permanent commitment for \$25,000,000. Should their commitment be less than \$25,000,000, then our loan would be reduced accordingly.

Term: The note will have a maturity date of December 15, 1981.

Interest Rate: 1 1/2% floating above the commercial base rate of The First National Bank of Boston, as the same may be established from time to time with any adjustment to be effective as of the date of any change in said base rate. This interest rate will be subject to a ceiling of 14 1/4%.

Commitment Fee: We are to receive a commitment fee of 1/4 of 1% or \$70,000, and such fee is to be payable at loan closing.



FIRST OF BOSTON MORTGAGE CORPORATION

Mr. Mortimer B. Zuckerman

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June 21, 1979

Our primary security will consist of a first mortgage lien on 2.55 acres of land located at the northeast corner of Atlantic Avenue and State Street, Boston, Massachusetts. This property will be improved by the construction of a seven-story, 395-room hotel with a restaurant, lounge, ballroom, five meeting rooms, approximately 20,000 square feet of retail space, and underground parking for between 200-225 automobiles. As additional security for this loan, we are to be provided with the following:

- A. A conditional assignment of all rents, issues, and profits derived from all occupancy leases relating to the subject property.
- B. A security agreement covering all furniture, fixtures, and equipment required for the operation and maintenance of the mortgaged premises.
- C. Mortimer B. Zuckerman and Edward H. Linde will guarantee completion of this project and will also execute a separate joint and several guarantee in the amount of \$2,000,000.
- D. We are to be provided with a title insurance policy for the full amount of the loan issued by a company acceptable to this Corporation and subject to the terms of such policy being satisfactory to our counsel.
- E. We have received a copy of a Management Agreement dated March 30, 1979 between Boston Properties and Marriott Corporation. This Agreement must be satisfactory to this Corporation and our counsel and must be assigned to the Corporation as further collateral for the loan. We have, similarly, received a copy of an executed Development Agreement dated January 10, 1979 between Boston Properties and Marriott Corporation, together with amendments to this Agreement. This Agreement also must be satisfactory in every respect to this Corporation and our counsel. It will also be necessary for the Development Agreement to be assigned to this Corporation.

Other terms and conditions of this commitment are as follows:

1. Loan disbursements will be based upon the submission of proper requisitions, using the standard AIA form, and such requisitions are to be approved by the borrower, the inspecting engineer, the project architect, and the guarantors. At the borrower's option, payment will be made by means of a check issued by this Corporation or by credit to the borrower's account maintained with The First National Bank of Boston. All advances against construction

Mr. Mortimer B. Zuckerman

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June 21, 1979

items will be subject to a withholding rate of 10% pending expiration of the requisite lien period or the receipt of lien waivers. Honoring of requisitions is also subject to our inspection and approval of work done and materials furnished.

2. Our usual form of Construction Loan Agreement is to be executed by and between the borrower and this Corporation. In addition to the usual terms of such an agreement, it is to be understood that at the time of the first loan disbursement and at all times thereafter, there shall remain sufficient unadvanced loan proceeds to meet all direct and indirect construction and related costs of the project as previously approved by the Corporation. Any required equity funds are to be properly expended prior to any loan advance.
3. A complete set of plans and specifications for the building are to be deposited with this Corporation for purposes of identification. Prior to loan closing, we must be provided with a complete, detailed estimate of all direct and indirect costs which will be associated with the construction of these buildings. Also, the borrower is to furnish a survey of the premises, acceptable to this Corporation and to our attorney.
4. This Corporation reserves the right to prior approve the general contractor which you choose, in addition to requiring that the general contractor provide full and complete payment, performance, and lien bonds. Prior to loan closing, we are to be provided with a copy of the construction contract for our review and approval, as well as a complete list of the major subcontractors including each subcontractor's address, trade, and amount. This Corporation reserves the right to approve all subcontracts both as to form and substance, as well as to the credit of the individual subcontractors. This Corporation retains the right to an assignment of the borrower's interest in the general construction contract, as well as all subcontracts.
5. Any contract initially approved by this Corporation relating to the construction of any of the proposed facilities is not to be changed, amended, or modified in any fashion without the prior written approval of this Corporation.
6. We are also to receive a certificate from a registered engineer indicating the availability of utility services, storm drainage facilities and sewerage facilities to the lot line of the subject site. We must be assured that the sewerage facilities for the building will be sufficient for the intended use.



FIRST OF BOSTON MORTGAGE CORPORATION

Mr. Mortimer B. Zuckerman

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June 21, 1979

7. A non-reporting hazard insurance policy including liability and extended coverage in amounts satisfactory to us and payable to the Corporation as mortgagee is to be delivered to us prior to initial advance. Also, we must be furnished with evidence that flood insurance is not required for this property under the Flood Disaster Protection Act of 1973. In the event flood insurance is required, we will require flood insurance coverage written by a company satisfactory to us and in an amount and form acceptable to us. It appears that flood insurance will be necessary for this project.
8. If at any time during the course of construction it becomes apparent, in our sole judgment, that the then unadvanced construction proceeds are insufficient to complete construction with the approved plans and specifications, the borrower shall invest such additional equity funds in the project as may be needed to assure project completion from the remaining loan proceeds.
9. A registered engineer shall provide evidence of satisfactory means of ingress and egress to our project facilities. We further are to be provided with proper evidence from a source acceptable to our counsel that the proposed project in no way violates existing zoning regulations and that parking facilities necessitated by any regulations, agreements or other related source are, in fact, capable of being satisfied.
10. The initial closing of this loan and advances hereunder are subject to satisfactory compliance with the Federal Clean Air Act of 1970 and any environmental policy act applicable under the laws of the state of Massachusetts.
11. The borrower and this Corporation agree that the loan and all representations, covenants and agreements contained in the collateral loan documents shall be accepted, approved or acknowledged, as the case may be, by the Corporation at its offices in Boston, Massachusetts, and shall be governed by the laws of the Commonwealth of Massachusetts to the maximum extent permitted by agreement of the parties or otherwise.
12. Interest at the annual rate stated previously will be payable at monthly intervals and will be computed on the proceeds of the loan advanced and outstanding during each monthly interest period by application of a 360-day per diem factor to the actual number of days during which the borrower has had usage of the funds.
13. This commitment shall not be assigned by the borrower without this Corporation's prior written consent.

FIRST OF BOSTON MORTGAGE CORPORATION

Mr. Mortimer B. Zuckerman

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June 21, 1979

14. The Corporation shall receive an opinion from borrower's counsel as to the due authorization, execution, delivery and binding effect of the loan documents executed by the borrower with the respect to which other matters as the Corporation may require.
15. Whether or not this loan closes, the borrower shall pay all expenses of the transaction whatsoever, including but not limited to brokerage commissions, title company examinations and insurance charges, recording fees, documentary tax stamps, if any, survey charges, and the fees and expense of our attorney who shall be representing us.
16. At our option, we reserve the right to assign this commitment to The First National Bank of Boston. In the event of transfer of title to the subject property, the Corporation reserves the right to accelerate payment of the note.
17. The permanent commitment of Connecticut General Life Insurance Company requires that construction be reasonably satisfactory to their engineer. We will attempt to use the same engineer as Connecticut General and the costs of the services of such engineer will be borne by the borrower.
18. We have received a copy of a permanent commitment dated March 26, 1979 from Connecticut General Life Insurance Company, together with an amendment dated May 9, 1979. This commitment is for a first mortgage loan in the amount of \$25,000,000 at 10 1/2% with the note written for 20 years and payments based upon a 30-year amortization schedule. Prior to loan closing, the borrower must comply with all of the requirements of this commitment in full and, in particular, must satisfy both Connecticut General and this Corporation in regard to the borrower's application for a 121A Tax Agreement with the City of Boston. We will also require that both Connecticut General and this Corporation join in a satisfactory Buy-Sell Agreement at or before loan closing.
19. We have also received a copy of the commitment from the Marriott Corporation dated March 30, 1979, in which they agree to loan the borrower \$3,000,000 at 10% with the note written for 25 years. Similar to the above, we must be assured that the borrower is in full compliance with the requirements of the Marriott commitment, and we will require a Buy-Sell to be executed among the borrower, Marriott Corporation, and this Corporation.

If the foregoing terms and conditions are in accordance with your understanding, kindly indicate your acceptance of the same by signing and returning the enclosed copy of this letter within ten days from the date of same or the Corporation may, at its option, cancel this



FIRST OF BOSTON MORTGAGE CORPORATION

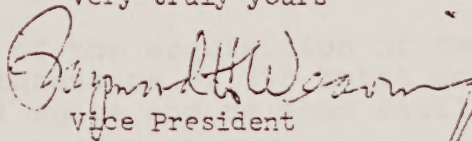
Mr. Mortimer B. Zuckerman

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June 21, 1979

commitment. Along with your acceptance of our commitment, we are to be provided with a certified check in the amount of \$10,000, which sum will be applied towards the full commitment fee payable at loan closing. However, in the event this loan does not close due to no fault of the Corporation, these funds will be retained and applied towards administrative and legal costs. Upon receipt of said acceptance, we will be pleased to notify our attorney, Newton A. Lane, Esquire, of Lane & Altman, 201 Devonshire Street, Boston, Massachusetts, to proceed with the necessary documentation. This commitment carries an expiration date of July 23, 1979, in the event that this loan is not closed on or before that date.

Very truly yours

  
Vice President

Enclosure

ACCEPTED:

DOWNTOWN BOSTON PROPERTIES TRUST

By: Robert B. Swett, Jr.  
TRUSTEE

Date: Oct 10, 1979

## MEMORANDUM

NOVEMBER 8, 1979

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: ROBERT J. RYAN, DIRECTOR

SUBJECT: REPORT AND DECISION ON THE CHAPTER 121A APPLICATION OF  
DOWNTOWN BOSTON PROPERTIES TRUST

On June 14, 1979, the Authority conducted a public hearing with respect to the above-captioned Application. At that meeting the Board heard a presentation by the Applicants.

The Project consists of the acquisition of the site, construction, operation and maintenance of 395 hotel rooms, 225 fully enclosed parking spaces, retail space and related facilities.

The issue concerning the Amendment to the Stipulation and Agreement has been satisfactorily resolved. The former tentatively designated developer, Stanley R. Barnes, d/b/a Boston Waterfront Hotel Associates, has executed appropriate releases and notices terminating the Agreement between himself and the Waterfront Residents' Association. The development as outlined in the attached Chapter 121A approval is now in full compliance with the Stipulation and Agreement dated January 25, 1973 as previously approved by the Federal District Court.

The Staff has examined the Application and found that it contained sufficient evidence in support of the Project to permit the Authority to make those findings and determinations necessary to proceed with the approval of the Project.

It is therefore recommended that pursuant to Chapter 121A of the General Laws, the Authority adopt the Report and Decision approving the Project.

An appropriate Vote follows:

VOTED: That the document presented at this meeting entitled "Report and Decision On The Application of Edward H. Linde, Robert B. Swett, Jr., and Mortimer B. Zuckerman, As Trustees of Downtown Boston Properties Trust for the Authorization and Approval of a Project Under Massachusetts General Laws (Ter. Ed.) Chapter 121A, As Amended, and Chapter 652 of the Acts of 1960, to be Undertaken and Carried Out by a Trust, and Approval to Act as an Urban Redevelopment Trust Under said Chapter 121A", be and hereby is approved and adopted.



October 11, 1979

Boston Waterfront Residents Association,  
Inc. (also known as Boston Waterfront  
Neighborhood Association), J. Timothy  
Anderson, Moritz Bergmeyer, Adriana  
Gianturco, Ronald W. Cornew, Robert L.  
Davidoff, Jack M. Roberts, and David  
Sinton  
c/o Normand F. Smith, Esquire  
Boyd, MacCrellish & Weeks  
75 Federal Street  
Boston, MA 02110

Dear Addressees:

Reference is made to that certain Agreement entered into as of May 9, 1975 (the "Agreement") between Boston Waterfront Hotel Associates (therein and herein referred to as "BWAH") and each of you (therein and herein referred to collectively as the "Waterfront Residents and Representatives").

Pursuant to the provisions of Section 4. of the Agreement, this letter is intended to and shall hereby serve as notice from BWAH to each of the Waterfront Residents and Representatives of BWAH's termination of the Agreement and all of its obligations thereunder, inasmuch as BWAH has not obtained the approvals, permits, etc., for the proposed Hotel development, and its tentative designation as redeveloper of the Hotel contemplated by the Agreement has been rescinded by the Boston Redevelopment Authority.

Concurrently herewith, a copy of this notice terminating the Agreement is being deposited with the United States District Court for the District of Massachusetts for filing in Civil Action No. 72-1157-LC, pursuant to the provisions of Section 3. of that certain Amendment to Stipulation and Agreement dated August 20, 1975, approved by Court Order entered April 6, 1976, amending that certain Stipulation and Agreement dated January 25, 1973, previously approved by the Court.

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EXECUTED as a sealed instrument upon which it is intended  
the Waterfront Residents and Representatives shall rely.

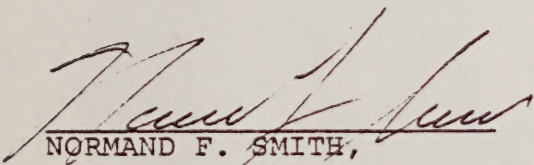
Very truly yours,

BOSTON WATERFRONT HOTEL ASSOCIATES

By: 

Stanley R. Barnes  
Hereunto duly authorized

RECEIPT ACKNOWLEDGED THIS  
15th DAY OF Oct  
1979.

  
NORMAND F. SMITH,  
Counsel to the Waterfront.  
Residents and Representatives

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